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FAR EAST

1. Indian Ambassador to Peiping instructed to urge early Korean truce:

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Prime Minister Nehru has instructed the Indian Ambassador to Peiping to urge the Chinese Communists to agree to a reasonable truce in Korea and not to intervene in Indochina. Nehru is said to feel that his Ambassador's representations will have some effect in Peiping.

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The US Embassy in London has learned of a report from the Indian Charge in Peiping that the basic cause of the stalemate in the Korean truce talks is Peiping's conviction that the United States is "insincere... and has no real desire for peace." The British Foreign Office has asked its Charge in Peiping whether it would be useful to have the Chinese Communist Government informed of India's view that the United States genuinely desires an early armistice.

Comment: Indian Ambassador Panikkar has just returned to China after attending the United Nations meetings in Paris. Both Panikkar and the Indian Charge have publicly praised the Peiping regime and have sometimes uncritically accepted the Communist line. There is no indication that Peiping ever has been or will be influenced either by Nehru or his representatives.

2. Communist China may get oil from India:

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The US Consul General in Calcutta reports that the Indian Government issued an export license on 14 January for the shipment of over a thousand tons of American surplus lubricating oil to Macao. The Consul General discovered that this oil, although contaminated by water, would be usable after cleaning or special treatment.

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Comment: This oil is probably destined for Communist China, as Macao has often been a way point for strategic goods shipped from non-Communist countries to the mainland. This would be one of the largest single shipments of oil to reach Communist China from Western sources since the United Nations embargo of July 1950.

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3.



4. Burmese waver on plan to evacuate the Chinese Nationalists:

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The Permanent Secretary of the Burmese Foreign Office has told American and British diplomats that the movement of Chinese Nationalist troops through Rangoon to Formosa would be a breach of neutrality, and that the proper course would be to intern them.

The US Charge comments that Burma apparently will not help to evacuate the Nationalists, but will leave the responsibility for any such task to the United States and Thailand.

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Comment: Burma recently asked the United States to persuade the Chinese Nationalist Government to order Li Mi's troops in Burma to surrender in preparation for evacuation to Formosa. Burma's cooperation in such a plan was strongly implied. Fear of Communist China's reaction may have caused a change of attitude.

NEAR EAST - AFRICA

5. Britain eager to start negotiations with Egypt:

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[Redacted]

The American Embassy in London reports that the British Foreign Office appears eager to start negotiations with Egypt as soon as the new government is ready. The Embassy believes the Foreign Office will be "reasonable and realistic" about its demand that terroristic activity in the Canal zone must first be suppressed, since it seeks primarily an assurance of the new government's willingness to cooperate to that end.

EASTERN EUROPE

6. United States to be implicated in Slansky trial:

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[Redacted]

The United States Ambassador in Prague is certain that the Slansky trial will be used for a propaganda attack on the United States and warns that it may be used to provide an excuse

for further restricting, and perhaps even closing, the Embassy. In the Ambassador's opinion, the trial might include presentation of dramatic "proof" of a United States attempt to implement the alleged aims of the Mutual Security Act.

Comment: Slansky is accused of conspiring with a Western power and of implication in American "subversive and conspiratorial activities in the Peoples' Democracies."

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[Redacted]

LATIN AMERICA

7. New plans to oust Bolivian Government:

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The Nationalist Revolutionary Movement plans to oust the Bolivian junta between 5 and 10 February, [redacted]. The plan calls for seizure of tin mines and of

hostages, and for coordinated uprisings. President Peron of Argentina is reportedly cooperating and providing ten planes.

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The Minister of Government, who knows of the plans, states that "everything is under control."

Comment: Pressure for a change in the governing junta has been increasing. The Commanding General of the Army and various military commanders are sympathetic to the Nationalist Revolutionary Movement, and various leaders of the movement have been maneuvering to gain power peaceably.

It is unlikely that Peron would offer planes for a coup, although he might provide undercover support.

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